



**North Carolina Department of Health and Human Services  
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

3001 Mail Service Center • Raleigh, North Carolina 27699-3001


Tel 919-733-7011 • Fax 919-733-1221

Michael F. Easley, Governor  
Carmen Hooker Odom, Secretary

Michael Moseley, Director

November 1, 2005

**MEMORANDUM**

**TO:** LME Directors  
**FROM:** Mike Moseley   
**SUBJECT:** Additional Information on Medicare Part D Prescription Drug Coverage

As you know the new outpatient prescription drug benefit for individuals receiving Medicare benefits will be effective on January 1, 2006. In September we provided an overview of the program and information on how consumers can apply for assistance with the costs of the new plan. I know that many of you have begun assisting consumers and are working with your providers to assist consumers in with this process. The next step for the consumer is enrollment into a Medicare Prescription Drug Plan (PDP). The attachment to this memorandum includes some information that may be helpful in working with Medicare-eligible consumers to assist them in choosing and enrolling in drug plans that best meet their needs. **Please pass this information along to providers who are serving consumers in your area.**

The Division has created a website with information and links to other websites regarding Medicare Part D Prescription Drug Coverage. The website address is:

<http://www.dhhs.state.nc.us/mhddsas/medicare-d/index.htm>

The Division of Medical Assistance also has a very informative website on this subject, located at:

[http://www.dhhs.state.nc.us/dma/medicare\\_d/partd.htm](http://www.dhhs.state.nc.us/dma/medicare_d/partd.htm)

Enrollment in a Part D Prescription Drug Plan

**Enrollment in a Part D Prescription Drug Plan is a separate step from the application process for assistance to help pay for prescription drug plan costs.** CMS has sent "Medicare and You 2006" handbooks in October to Medicare beneficiaries.<sup>1</sup> These handbooks include more information about choosing and enrolling in a Medicare Prescription Drug Plan. Enrollment for a PDP begins November 15<sup>th</sup> and continues through December 31<sup>st</sup> 2005, for an effective date of January 1, 2006. For individuals not meeting the December 31st deadline, the initial enrollment period continues through May 15<sup>th</sup>, with Medicare drug coverage beginning the following month.

**LME and provider staff should encourage and assist individuals to enroll in the plans that will best meet their needs.** To compare plans, the individual will need to make a list of all the medications he or she is taking and compare that to the drug formularies in the available plans, paying attention to utilization authorization criteria, tiers criteria and associated pharmacies. Information about the plans available in North Carolina and their drug formularies, costs, prior authorization criteria, and other information will be available on line at <http://www.cms.hhs.gov/map/map.asp#NC> and at <http://www.medicare.gov>. Tools are also available at <http://www.medicare.gov/MPCO/Home.asp> to assist consumers in finding a plan to meet their needs, including the Medicare Prescription Drug Plan Finder. This tool will allow the person to enter demographic and personal

<sup>1</sup> The handbook states that a person qualifying for extra help can join any of the listed plans and not pay a premium, which is not correct. Individuals will need to check the specific plan to see if a premium is required. Please see a notice of this mistake to the Handbook at [www.cms.hhs.gov/partnerships/tools/materials/publications/erratas/1800MEDICAREScript100305.pdf](http://www.cms.hhs.gov/partnerships/tools/materials/publications/erratas/1800MEDICAREScript100305.pdf).



information including medications currently prescribed, in order to customize information about plans to meet the individual consumer's needs.

An individual may also call 1-800-MEDICARE or a local Senior Health Insurance Information Program (SHIIP) volunteer in the area to talk to an informed person about the plans. See [www.ncshiip.com](http://www.ncshiip.com) to find a SHIIP volunteer in your area. Pharmacists are also being prepared to help individuals in the process of choosing plans. Individuals who are not dually eligible for Medicaid and Medicare will only be able to change plans once a year during the open enrollment period.

#### Medicare Part D and Medicaid—Dual Eligibility

Medicaid will no longer provide coverage for medications effective January 1, 2006 for individuals who are dually eligible for Medicaid and Medicare [see exception in the first bullet under Other Issues below]. To ensure that individuals who are dually eligible continue to receive prescriptions with no lapse, Medicare will automatically assign them to a Medicare Prescription Drug Plan in October. Individuals should receive a letter from CMS notifying them of the plans to which they have been assigned. The person will also receive information from the plan provider. This will include information such as: covered drugs, participating pharmacies, and contact numbers. If the plan chosen for the individual does not meet his or her needs, the person may choose a different plan at any time beginning November 15. To change plans the individual may contact one of the following: **the Prescription Drug Plan chosen for the individual; or 1-800-MEDICARE; or WWW.MEDICARE.GOV; or SHIIP 1-800-443-9354**

**Individuals who are eligible for full Medicaid benefits and Medicare who do not change the assigned enrollment in a PDP by December 31, 2005 will automatically be enrolled to receive benefits through the assigned plan.** Individuals eligible for a Medicaid Savings Program<sup>2</sup> will be assigned to a plan and automatically enrolled by May 15, 2006 if they have not already enrolled by that time.

It is in the best interest of dually eligible consumers to make sure the plans to which they are assigned meet their needs or to enroll in different plans that better meet their needs. **LME and provider staff should be aware that individuals who are dually eligible may be randomly assigned to a plan that does not meet their needs, and should assist as necessary in reviewing those plans.** While individuals who are dually eligible can change plans every thirty (30) days, there may be a period of time in which their medications are not covered if they are not enrolled in plans that cover those medications.

#### Other Issues That May Be of Interest to Individuals Served by Mental Health, Developmental Disabilities, and Substance Abuse Programs

- North Carolina has decided to continue paying for benzodiazepines or barbiturates through Medicaid, which are not being covered under the Medicare Part D plans and which many MHDDSAS consumers use. These medications will be billed to Medicaid as usual.
- Individuals who are incarcerated cannot enroll. Those individuals who are eligible for Medicare should be assisted in making a decision about enrolling in a plan as soon as they return to the community.
- Individuals who have prescription drug benefits through employer plans or the Veterans Administration need to consider carefully whether it is in their best interest to enroll for Medicare Prescription Drug Benefits. They may be enrolling and paying for something that they do not need. They should be getting a letter of creditable coverage from their current plans showing whether their current drug benefits are equal or better than drug coverage under Part D and explaining their options. See <http://www.cms.hhs.gov/medicarereform/credcovrg.asp> for more information.
- The Medicare benefit will not have the six-prescription maximum on the number of medications covered that is in place for Medicaid-only beneficiaries. Therefore, some dually-eligible individuals currently receiving Medicaid with the six-prescription limit will find that Medicare Part D will be very helpful in accessing medications they need.

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<sup>2</sup> Medicaid Savings Programs are limited Medicaid benefits that cover Medicare buy-in premiums (MQB-B or MQB-E) or Medicare buy-in premiums as well as co-pays and deductibles (MQB-Q).



- For people who do not have Medicaid, there is required cost-sharing of deductibles, co-pays, and what is commonly being referred to as the “donut hole” in which the individual pays 100% of the medication costs up to a catastrophic threshold (see exceptions next bullet). Individuals may find it difficult to meet the cost-sharing requirements. **LMEs and providers should be aware of the possibility that cost-sharing requirements may prevent individuals from taking their medications, and should be proactive about ways to help beneficiaries get these expenses paid.**
- Medicare-eligible individuals living in group homes and receiving State and County Special Assistance payments and Medicaid, and individuals who are receiving CAP-MRDD Medicaid Waiver services will have to meet the co-pay requirements.
- Plans may disenroll beneficiaries for “disruptive, unruly, abusive, uncooperative, or threatening” behavior. However, “an individual cannot be considered disruptive if the behavior is related to the use of medical services or compliance or noncompliance with medical advice or treatment.”
- Some specific points to keep in mind in assisting individuals with mental illness:
  - brand-name medications have higher co-pays than generic drugs
  - PDPs are not obligated to pay for drugs prescribed for off-label uses

#### Suggestions and Resources:

There are resources that can assist LMEs and providers in helping consumers enroll in appropriate plans.

SHIIP volunteers are providing free counseling and outreach events all over the state. They will also be hosting training events that will help professionals know how to assist consumers with the enrollment process. **We encourage this training for anyone who might assist individuals to enroll in a Part D drug plan.** See [www.ncshiip.com](http://www.ncshiip.com) to find a volunteer in your area, or to locate the nearest training event.

There are tools to help beneficiaries and advocates learn about the basics of the new prescription drug benefit including a “Coverage Options” section with questions for a beneficiary to answer to determine what choices he/she might have, at <http://www.medicare.gov/MPCO/Home.asp>.

Distance Learning Opportunities webcasts about the Medicare Prescription Coverage are available at <http://cms.archivevideo.com> For Information regarding coverage of drugs in the antidepressant, antipsychotic, and anticonvulsant categories, see <http://www.cms.hhs.gov/pdps/formularyqafinalmmrevised.pdf>. You can remain informed about changes and new information as it is released from the Centers for Medicare and Medicaid Services by checking <http://www.cms.hhs.gov/medicarereform/states/whatsnew.asp> periodically.

I hope that you will find this information helpful. We will continue to advise you of changes or additional information that may be useful as you assist consumers in understanding this very important change in their benefits.

MM/ae

cc: Secretary Carmen Hooker Odom  
 Allen Dobson, MD  
 Executive Leadership Team  
 Management Leadership Team  
 State Facility Directors  
 Carol Duncan Clayton  
 Patrice Roesler  
 Kory Goldsmith  
 MH Commission Chair  
 Coalition 2001 Chair  
 SCFAC Chair

